

HEALTH CARE ADVISORY BOARD

Meeting Summary December 8, 2003

MEMBERS PRESENT

Marlene Blum, Chairman
Rose Chu, Vice Chairman
Bill Finerfrock, Vice Chairman
John Clark
Rosanne Rodilloso
Caili Yang

GUESTS

Richard Magenheimer – Inova Health System
JoAnne Jorgenson, Health Department
Gloria Addo-Ayensu, Health Department
Jim Scott, Inova Health System
Kimberly Cordero, Health Department

STAFF

John Ruthinoski

The meeting was called to order at 7:45 p.m.

Approval of the Minutes

The minutes of the November 10, 2003 HCAB meeting were accepted with the following corrections:

- On Page 6, the next to the last sentence in the first paragraph should read, “Ron Ewold responded that Medicare established a DRG, but that it does not completely cover the cost.”
- The spelling of Margo Kieley’s name was corrected.

Announcements

Marlene Blum introduced Kimberly Cordero, the Health Department’s new Communications Specialist.

Inova’s Proposed Self-Pay Discount Policy

Ricahrd Magenheimer began by announcing that Inova is in the process of obtaining approval from their Medicare intermediary for the policy, but that they are not anticipating any problems. He reported that there have been a number of cases where there is a gap between Inova’s charges and what insurers pay. He explained that Inova wanted to provide a self-pay fee schedule which was close to what insurers pay. He explained that the policy applied to people with no primary insurance either private or through public assistance, who are refers to as “uninsured” in the policy. All hospital patients, emergent and non emergent are covered by the policy. Some procedures, such as elective surgery, cosmetic surgery and transplantation, are not covered. The policy will cost Inova about \$700,000 per year.

The discount will be 35% off charges, after the discount for charity care has been applied. Inova will go through the normal screening procedure to assure that there is not any existing insurance or that the patient qualifies for any medical assistance program. In addition to the policy, Inova is increasing its collection at the time of service. Insurance companies are putting more responsibility on beneficiaries and patients are being asked to pay their part of the bill at the time of service. If the patient is unable to pay their portion of the bill at the time of service, a deposit will be required according to regular Inova policies. If they cannot make a deposit, they would be referred to the Medcredit program which provides a low-cost financing payment program. The patient's payment schedule is based on reasonable determination of the patient's financial situation and the responsible party's ability to make monthly payments. He added that Inova wants the right to withdraw payment if the patient does not make an effort to pay their share. Richard Magenheimer then displayed a table which showed how the discount would be applied.

John Clark asked if people who make more than 250% of poverty would be eligible for a discount under this policy. Marlene Blum commented that they would. The self-pay discount operates independently of the indigent care policy, which is capped at 250% of poverty. Joanne Jorgenson asked if the new policy would allow Inova to address the issue of bad debt. Richard Magenheimer responded that Inova always has that option, but added that this program will not help Inova get at these patients in a meaningful way. JoAnne Jorgenson noted that the policy would provide an incentive for patients to set up a payment plan. Richard Magenheimer noted that it costs a great deal to collect funds from these patients. JoAnne Jorgenson asked if Inova had the ability to compel patients to see a public assistance worker if they were eligible for public assistance. She noted that this is an issue that comes up with the Community Health Care Network. Richard Magenheimer noted that under the policy, if patients haven't gone through the all of the steps in Inova's application process, they are not eligible.

Bill Finerfrock asked about Inova's discussions with their Medicare intermediary. Richard Magenheimer reported that they have had some discussions, but are still concerned that Medicare will come back to them and say that their charges are actually 65% of what they really are. Bill Finerfrock commented that he felt that the policy was a great idea, but noted that he did not think that it would "pass muster" with Medicaid. He explained that Medicare allows for the existence of a charity care policy, but does not allow a discount policy based on insurance status. Marlene Blum asked why this was a problem. Bill Finerfrock stated that Medicare regulations state that one cannot charge other patients different than a Medicare beneficiary, and that this policy is not universally applied. Richard Magenheimer noted that Inova does not expect to hear back in writing, but as long as they do not hear back saying they cannot do it, they are going to go ahead with the policy.

Ricahrd Magenheimer noted that Inova considered a policy which would have extended the indigent care policy up beyond 250% of poverty, but noted that this would have undercut the existing policy and would have created an incentive to refer to Inova. Bill Finerfrock noted that the Medicare policy is a disincentive to the development of creative solutions such as this one. He added that Medicare's policy only covers what is charged to patients, but noted that what is collected is up to Inova. Inova could institute the policy through the collections policy. Ricahrd Magenheimer noted that everyone Inova has spoken to about the policy has been supportive, although he noted that he'd like to avoid writing a formal proposal.

Marlene Blum asked what stage Inova is at with respect to the policy. Richard Magenheimer responded that other than the Medicare question, they are ready to go. Bill Finerfrock suggested that the HCAB should communicate with the BOS about the need to communicate with Congress about the problem with the Medicare policy. Marlene Blum asked if the HCAB should let the Board know about the policy. Richard Magenheimer responded that the HCAB could inform the Board about the policy, but does not need to solicit its support. JoAnne Jorgenson noted that the HCAB does not need to do this right away. Richard Magenheimer reported that Inova would keep staff informed of the status of the discussions with Medicare and would let him know when it would be appropriate to send the memo. John Clark moved that the HCAB send a memo to the Board of Supervisors regarding the policy and state that it is a positive step. Bill Finerfrock seconded the motion which passed unanimously.

Bill Finerfrock asked if under-insured people (people with insurance that has high co-pays or deductibles) would qualify under the policy. Richard Magenheimer responded that this was an area which was too complicated to get into under the policy, but noted that Inova tries to work with these patients. Dr. Yarboro asked if Inova is working with physicians who provide services in the hospital, such as anesthesiologists, regarding the policy. Richard Magenheimer stated that they have discussed the policy with these physicians, and that they hoped to roll the policy out with them as well.

Marlene Blum congratulated Timothy Yarboro on being named President of the Medical Staff at Fair Oaks Hospital.

Medically Fragile Homeless Special Committee

Marlene Blum distributed a draft of the charter for the Special Committee and asked HCAB members to review it. She then suggested a change to the background section to include a mention of Supervisor Hudgins' motion in March following the Homeless Oversight Committee's report which originated the Special Committee. There was then some discussion regarding the type of people that should be included as members on the Committee. JoAnne Jorgenson commented that the Inova representatives need to be case managers who know the type of people who are being discharged. Marlene Blum agreed, but added that the Committee also needs someone who is involved in

decision-making for Inova. She also suggested that representatives be drawn from Fairfax and Mount Vernon Hospitals. Marlene Blum noted that she had asked that someone from Mental Health be included on the Committee. JoAnne Jorgenson added that there was some talk about having a representative from the adult detention center.

Bill Finerfrock asked if the Committee is set up for failure given the fact that there is no definition of a medically frail homeless person, making it impossible to find data confirming the level of need. Marlene Blum predicted that committee would find that there are some people with modest needs, who would benefit from better discharge planning and there would also be a number of other people with serious problems. She also suggested that there is a method that could be used to collect data on this population, though the use of an intake form used by shelters and agencies which serve the homeless. JoAnne Jorgenson added that there are some communities which have an established definition of the medically frail homeless. Bill Finerfrock noted that the paralyzed veterans association has done some work in this area. He also suggested that the nine month time frame in the charter may not be enough time. Marlene Blum noted that the time frame was self-imposed and could be extended if needed.

Other Business

John Clark asked if there was any news on Mount Vernon Hospital. Dr. Yarboro announced that Warren Cikins had resigned as chair, apparently due to a concern over lack of attendance. Marlene Blum noted that the Task Force was originally supposed to issue a report by the end of the year, but that this was not likely to occur if the Chair had resigned. JoAnne Jorgenson stated that the Task Force held a contentious meeting with the Route 1 Task Force.

Marlene Blum announced that due to the timing of Easter and Passover, the FY 2005 Budget hearings would be held the last week of March. She asked staff to send out calendars to HCAB members to schedule the Budget meetings for March. JoAnne Jotrgenson reported that Health Department staff met with staff from DMB and are fighting to keep the Annandale Adult Day Health Care (ADHC) Center open even if the Little River Glen ADHC opens. She also added that they are proposing a cut of \$300,000 in the Medically Fragile fund, based on its under-usage over the last two years. However, this year, they are worried about running out of funding, as they are on their 13th child this year. It costs about \$50,000 per child per year. Marlene Blum explained that this is money that the Health Department has to spend, based on the Supreme Court's ruling. JoAnne Jorgenson stated that they would be arguing to restore the funding with the County Executive. She noted that the suggestion for the cut came from DMB, not the County Executive.

There being no further business, the meeting was adjourned at 9:05 p.m.